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## Financial Guru, TV Star, Bestselling Author? Not So Fast

**The marketing that some financial advisers use to attract clients can be misleading. Make sure you don't fall for their 'trustwashing.'**

By Jason Zweig

If financial advisers can't earn trust, they can buy it.

In a confused and crowded marketplace with no objective criteria for measuring the honesty and competence of financial advisers, those who seem trustworthy will capture clients.

Sadly, much of the marketing that advisers use to earn investors' trust is misleading, including TV appearances they didn't make, books they didn't write and standards of ethics they don't meet. I call this "trustwashing."

This tarnishes the many advisers who deserve the public's trust. And the millions of people who could benefit from professional financial advice can't tell for sure who is trustworthy.

Consider that dozens, perhaps hundreds, of advisers' websites feature the words "As Seen On" with the logos of media titans like ABC, CBS, Fox and NBC.

Those displays are called "trust badges." Online marketers charge a couple hundred dollars for them. The agencies write a flattering press release with material provided by the adviser. (Some advisers write the puff piece themselves.)

The agencies then syndicate the press

release for posting on the websites of local TV stations although it will typically be purged before long.

Were those advisers "seen on" ABC or CBS or Fox or NBC? A few paragraphs of shameless puffery about these financial gurus might have appeared at least temporarily on the website of, say, ABC affiliate WAOW in Wausau, Wis., CBS affiliate KTVN in Reno, Nev., Fox 34 in Lubbock, Texas, or NBC affiliate WVVA in Bluefield, W.Va.

"You get to say, 'I was on Fox,' when your name is buried in a press release posted on some local TV channel's website," says Rick Sabo, a financial planner in Gibsonia, Pa., who works as an expert witness in financial fraud cases. "It wasn't that a reporter came to you and put you on the air because they really valued your opinion and your expertise."

Akshat Thapa, chief executive of one of these online services, NewswireNEXT.com, says "consumers clearly understand that 'As Seen On' does not necessarily imply that the person or business was featured in an on-air interview with the TV network."

I don't know about you, but I assumed "As Seen On" a TV network meant that the adviser had appeared on that network.

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How did you find a financial adviser you could trust? Join the conversation below.

In the phrase made famous on "The Odd Couple" (a show that was on network TV), "When you assume, you make an ass of you and me."

Advisers also can buy an ethical seal of approval, which some then display on their websites or in their offices.

One organization in this business, the National Ethics Association, says it vets members carefully and is "devoted to aiding consumers with the increasingly complex task of conducting due diligence on business professionals."

When I did my own due diligence on the advisers listed in the NEA's online roster, their ethics often looked questionable.

Among 272 NEA members identified as stockbrokers or financial advisers, I found that 97 had a disciplinary history at [brokercheck.finra.org](http://brokercheck.finra.org) or [adviserinfo.sec.gov](http://adviserinfo.sec.gov), free public databases maintained by securities regulators.

Among the advisers with the NEA's seal of approval are:

\* seven who were fired amid allegations of misconduct,

\* seven who were sanctioned by regulators

for selling unregistered securities,

- \* three who have been barred for life from the securities industry,

- \* two whose state securities licenses have been revoked,

- \* two who filed for personal bankruptcy,

- \* one with nearly \$200,000 in unpaid federal taxes.

Membership in the NEA isn't an honor conferred upon advisers who are nominated by peers or clients. It's a commercial product that advisers buy for \$156 a year. It's even available by the month, at \$15 a pop.

Representatives of Arthur J. Gallagher, which acquired the NEA in 2016, didn't respond to requests for comment.

What about the bestsellers many advisers say they wrote, often with celebrity co-authors?

Asset-retention.com says the retirement-planning firm's founder, Troy Bender, is the co-author of a book with motivational speaker and bestselling author Brian Tracy.

Bender's contribution to what his website calls "Troy's book" turns out to be a single seven-page chapter in a 449-page volume with 47 other chapters.

After a brief phone call setting up a time to speak to me, Bender didn't respond to my further requests for comment.

According to Nick Nanton, co-founder of the Celebrity Branding Agency, whose publishing division issues these promotional volumes, they're typically produced by ghostwriters "so they're well-written."

The way he promotes "his" book isn't unusual. The websites of at least eight financial advisers tout them as co-authors of "Momma's Secret Recipe for Retirement Success," with Jack Canfield, author of the bestseller "Chicken Soup for the Soul."

Nanton says the service costs roughly \$15,000 to \$25,000. He says his firm does background checks and tries to "only work with people who are honest and good at what they do."

These books are "a great way to get to know someone's story, but [investors] still need to put in the time to check the person out carefully," he says. "Does a bad apple sneak in there? Every once in a while, yes. Liars are good at lying. And if someone becomes a serial killer 10 years from now, I can't control that."

Consultants, doctors and other professionals also use trust badges, dubious books and seals of ethical "approval." But, under rules set by the Securities and Exchange Commission, investment advisers are supposed to avoid marketing themselves in potentially misleading ways.

I've often written that the key to finding an adviser you can trust is to ask lots of questions. The proliferation of trustwashing proves that you need to ask even more questions than ever: Can I see video clips of your network TV appearances? How much of that book did you write yourself? Did you pay a fee for that honor or award?

It's a shame that trust is for sale. Make sure your adviser earned it.

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